



Office of the Chief Economist - Bureau de l'économiste en chef  
Monthly Merchandise Trade Report – November 2018

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In November, exports were down for a fourth consecutive month, due to lower exports of energy.

### Trade balance

- Canada's merchandise trade deficit with the world widened from \$851 million in October to \$2.1 billion in November.

### Exports

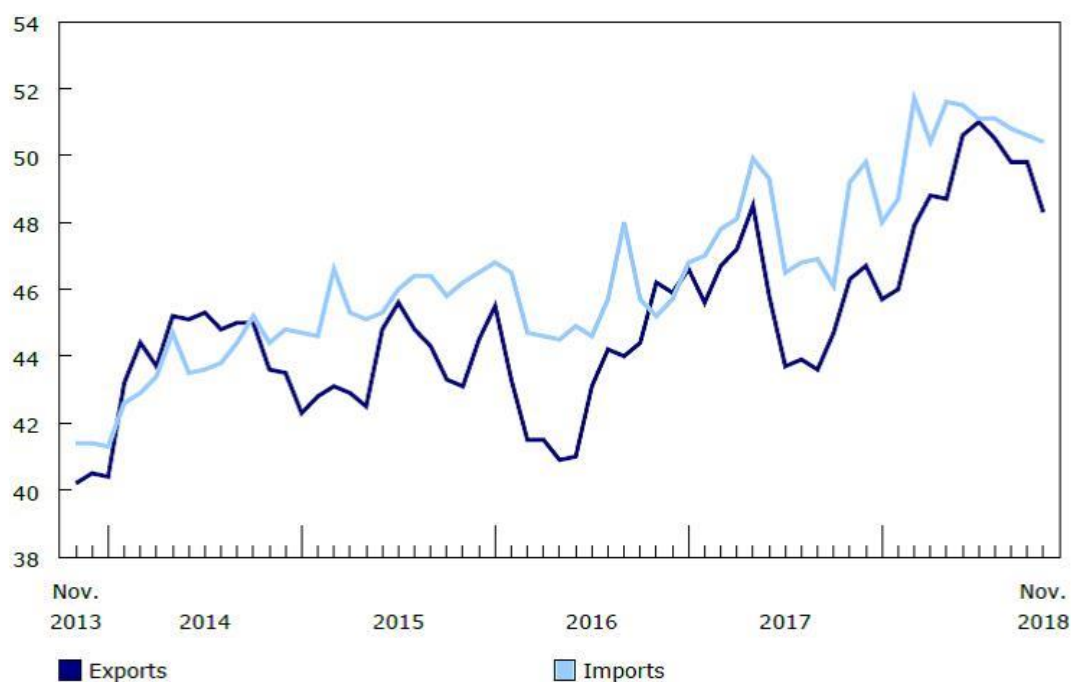
- In November, total exports decreased 2.9% over the previous month, to \$48.3 billion.
  - Mainly on lower exports of crude oil to the United States.
  - Exports to non-U.S. countries edged up 0.1% in November.

### Imports

- Imports decreased 0.5% to \$50.4 billion in November.
  - Largely due to fewer imports of motor vehicles and parts.
  - Imports declines were observed in 7 of 11 sectors.

Chart 1: Value of Canada trade in goods, November 2013 to November 2018

billions of current dollars



**Source:** Statistics Canada Table 12-10-0011-01, Merchandise imports and exports, Balance of payments basis, seasonally adjusted.



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### Background

**Canadian merchandise exports:** exports fell 2.9% to \$48.3 billion from October to November, a fourth consecutive monthly decline with energy products contributing the most to the decline.

Year-to-date (January to November), exports were up 6.9%, compared to the same period last year.

**Canadian merchandise imports:** imports edged down 0.5% to \$50.4 billion, led by vehicles and parts. Partially offsetting the decrease were higher imports of aircraft and other transportation equipment and parts (+21.2%), to \$2.1 billion.

Year-to-date, imports were up 6.0% compared to the same period last year.

### United States:

- Exports to the United States declined 3.9% to \$35.3 billion in November on lower exports of crude oil.
- Imports from the United States were down 0.3%, to \$33.2 billion in November.
- As a result, Canada's merchandise trade surplus with the United States narrowed from \$3.5 billion in October to \$2.2 billion in November, the smallest trade surplus since September 2017.

Table 1: Change in Canada trade: monthly, year-to-date and by principal trading partners

November 2018	Exports (\$ million)	Monthly change	Year-to-date % change Previous year	Imports (\$ millions)	Monthly change	Year-to-date % change Previous year
All countries	48,329	-1,439	6.9%	50,389	-230	6.0%
% change	n.a.	-2.9%	n.a.	n.a.	-0.5%	n.a.
Volume change	n.a.	-1.8%	n.a.	n.a.	-0.3%	n.a.
Price change	n.a.	-1.1%	n.a.	n.a.	-0.1%	n.a.
	(\$ million)	(\$ million)	%	(\$ million)	(\$ million)	%
United States	35,337	-1,450	5.9	33,161	-92	5.8
Mexico	788	-8	3.9	1,597	-98	-1.7
EU	4,157	536	6.7	4,934	-72	12.5
United Kingdom	1,635	551	-10.4	654	14	2.2
Germany	480	25	19.2	1,379	31	10.2
France	289	1	-0.3	405	-21	10.2
India	310	-46	-6.0	320	37	28.1
China	2,630	-167	13.9	3,976	137	8.4
Japan	1,163	-83	9.7	930	115	-6.7
South Korea	444	-41	7.5	683	-24	10.5

**Source:** Statistics Canada Table 12-10-0011-01, Merchandise imports and exports, Balance of payments basis, seasonally adjusted, current dollars.

### Countries other than United States:

- Exports to non-U.S. countries edged up 0.1% in November to \$13.0 billion.
- A sharp increase in exports to the U.K. (gold) was almost entirely offset by a decrease in exports to Hong Kong (gold), the Netherlands (iron ore and heavy fuel oil), and China (gold).
- Imports from countries other than the United States fell 0.8% to \$17.2 billion in November, a third consecutive monthly decline.
- Lower imports from Russia (crude oil), Switzerland (copper), and Mexico (passenger cars and light trucks) were partially offset by higher imports from China (computers) and Japan (gold and passenger cars).



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- As a result, Canada's trade deficit with countries other than the U.S. narrowed from \$4.4 billion in October, to \$4.2 billion in November, the smallest deficit since December 2016.

Commodities / Products

In November, **exports** declined 2.9% to \$48.3 billion with decreases observed in 8 of 11 sectors. Export volumes were down 1.8%, and exports prices decreased by 1.1%.

Exports highlights:

- Exports of energy products fell in November (-9.2%) to \$8.4 billion.
  - Exports of crude oil (-17.7%) led the decline, driven by a 13.9% drop in prices, which were down for a third consecutive month.
  - Partially offsetting the decrease were higher exports of coal to South Korea, China, and Vietnam.
- Exports of basic and industrial chemical, plastic and rubber products also fell in November (-7.5%), to \$2.8 billion.
  - Exports of lubricants and other petroleum refinery products contracted (-26.4%), mostly on lower exports of motor gasoline blending stock to the northeastern U.S.
- Exports of forestry products and building and packaging materials were also down in November (-5.7%), primarily due to lower exports of pulp and paper (-10.1%). Despite November's decline, the year-to-date cumulative value of pulp and paper exports was 18.2% higher compared to the same period last year.

In November, **imports** edged down 0.5% to \$50.4 billion. Declines were observed in 7 of 11 sectors. Import volumes were down 0.3% and import prices edged down 0.1%.

Imports highlights:

- Imports of motor vehicles and parts contracted (-2.8%) to \$8.9 billion.
  - On lower imports of passenger cars and light trucks (-5.5%), to \$3.7 billion.
  - This is the ninth decrease in 12 months, with imports of passenger cars and light trucks declining 13.9% compared with November 2017.
- Imports of metal ores and non-metallic minerals fell in November (-18.6%) to \$1.1 billion.
  - After posting a record high in September, imports of other metal ores and concentrates were down (-19.6%) for a second consecutive month, mainly on lower imports of gold for refining from the United States.

Table 2: Exports and Imports by commodities – November 2018 and % change November 2017 to November 2018

Commodity November 2018	Exports (\$ millions)	% change Previous year	Imports (\$ millions)	% change Previous year
Resource Products	25,458	4.4%	15,477	5.5%
Energy	8,444	4.0%	3,180	14.6%
Non-resource Products	21,513	4.1%	32,935	0.0%
Industrial Machinery & Equipment	3,450	8.8%	5,825	5.9%
Electronics/Electrical Machinery & Equipment	2,512	3.1%	6,061	1.5%
Motor Vehicles	7,646	-0.8%	8,874	-6.5%
Aircrafts/Other transportation Equip.	2,105	11.7%	2,148	-4.3%
Consumer Goods	5,799	6.1%	10,027	3.3%
All commodities	48,329	4.4%	50,389	2.4%

**Source:** Statistics Canada Table 12-10-0121-01, International merchandise trade data by North American Product Classification System (NAPCS) – seasonally adjusted. Totals don't add up as "Special transactions trade" and "Other balance of payments adjustments" are not included.